

EXHIBIT 29



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* NEW YORK

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Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Friday, December 23, 2016

Manhattan U.S. Attorney Announces \$10 Million Civil Penalty Recovery Against New York Pharmaceutical Distributor Kinray, LLC.

The Recovery Is Part of a \$44 Million Nationwide Civil Penalty Settlement with Kinray, LLC., and Its Parent Company, Cardinal Health, Inc.

Preet Bharara, the United States Attorney for the Southern District of New York, and James Hunt, Special Agent in Charge for the Drug Enforcement Administration ("DEA"), announced the filing and settlement of a civil lawsuit involving Controlled Substances Act ("CSA") claims brought by the United States against Kinray, LLC. ("Kinray"), a New York-based pharmaceutical subsidiary of Cardinal Health, Inc. ("Cardinal"). The suit was filed on December 19, 2016. In the consent decree approved yesterday by U.S. District Judge Ronnie Abrams, Kinray agreed to pay \$10 million to the United States, and admitted and accepted responsibility for failing to inform the DEA, as required by CSA regulations, of Kinray's receipt of suspicious orders for certain controlled substances during the time period between January 1, 2011 and May 14, 2012.

Under CSA regulations, pharmaceutical distributors (like Kinray) have a responsibility to report suspicious orders of unusual size, orders that deviate substantially from a normal pattern, or orders of unusual frequency. The DEA relies on this requirement, and on pharmaceutical distributors in particular, as the first line of defense against dishonest medical professionals who fuel the illegal market for opioids. Pharmaceutical companies, as the makers and distributors of dangerous opioids, have a particular obligation not to fulfill shipments to medical professionals, pharmacies, or other entities that place unusual orders, oversized orders, or orders of unusual frequency. As alleged in the Complaint filed by this Office, and as admitted in the settlement agreement (the "Consent Decree"), Kinray violated this requirement.

Manhattan U.S. Attorney Preet Bharara said: "With the opioid crisis reaching epidemic proportions, pharmaceutical companies must be part of the solution, not part of the problem. When distributors like Kinray fail to alert the DEA to suspicious order activity, they end up facilitating the illegal sale and distribution of highly addictive opioids. Today's settlement is part of our ongoing efforts to use all the tools at our disposal to combat opioid abuse."

DEA Acting Special Agent in Charge James Hunt said: "While over 33,000 opioid-related deaths last year have drawn the attention of families and friends wanting to know more about opioid addiction; law enforcement has been red flagging pharmaceutical diversion. DEA Diversion Investigators conduct

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regulatory visits in order to confirm companies adhere to strict security measures and reporting responsibilities in a timely matter to deter prescription medication from being illegally distributed. This settlement is a clear message that law enforcement is looking at pharmaceutical suppliers responsible for safeguarding and distributing prescription medication as well as targeting those responsible for its diversion."

According to the allegations in the Complaint and the terms of the Consent Decree:

Kinray, a subsidiary of Cardinal, is a pharmaceutical distributor located in Whitestone, Queens, New York. Among other things, Kinray distributes controlled substances, including Schedule II narcotics (such as oxycodone and its derivatives), to pharmacies, doctors, and medical facilities with a legitimate medical need.

Under regulations promulgated by the DEA, distributors of controlled substances must design and operate a system to disclose suspicious orders of controlled substances, and report any discovered suspicious orders to the DEA. These reporting requirements are an integral part of the DEA's efforts to track the illicit distribution of oxycodone and other highly addictive opioids.

As alleged, during the period from January 1, 2011 to May 14, 2012, the DEA investigated pharmacies in New York City and elsewhere that had placed orders for shipments of oxycodone or hydrocodone (both Schedule II controlled substances) from Kinray that were of unusual size and/or unusual frequency. For example, the DEA's internal tracking system revealed that during the relevant period, Kinray had shipped oxycodone or hydrocodone to more than 20 New York-area pharmacy locations that placed orders for a quantity of controlled substances many times greater than Kinray's average sales of controlled substances to all of its customers. Such orders should have triggered "red flags" in Kinray's ordering system, and Kinray should have reported the suspicious orders to the DEA. But for most of this time period, Kinray did not report a single suspicious order to the DEA.

In the Consent Decree entered yesterday by Judge Abrams, Kinray admitted that during the period January 1, 2011 to May 14, 2012, it failed to inform the DEA, as required, that certain orders for controlled substances it received from customers were suspicious. Kinray also agreed to pay the United States a \$10 million civil penalty, and agreed to voluntarily submit to DEA inspections of its Whitestone, New York, facility at any time without condition and without advance notice.

In addition, in a separate administrative action, on December 16, 2016, Kinray signed a Memorandum of Agreement with the DEA in which Kinray agreed to revise its standard operating procedures to improve the processes that govern its handling and delivery of controlled substances to its customers.

This settlement is part of a \$44 million global resolution announced today by the Department of Justice with Kinray's parent company, Cardinal, in which Cardinal agreed to pay an additional \$34 million to the United States to resolve failure to report suspicious order claims brought by the U.S. Attorney's Offices for the Middle District of Florida, the District of Maryland, and the Western District of Washington.

Mr. Bharara praised the outstanding investigative work of the DEA and thanked the New York City Police Department for its assistance.

The case is being handled by the Office's Civil Frauds Unit. Assistant United States Attorney Louis A. Pellegrino is in charge of the case.

Attachment(s):

[Download Kinray Consent Decree](#)

Component(s):

[USAO - New York, Southern](#)

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